HIGH LINER FOODS

ANNUAL INFORMATION FORM

For the fifty-two weeks ended December 30, 2023

(All amounts are in United States dollars unless otherwise stated)

February 21, 2024

TABLE OF CONTENTS

Unless the context otherwise requires, references in this Annual Information Form ("AIF") to "We", "Us", "Our", "Company", "High Liner", or "High Liner Foods" include High Liner Foods Incorporated and its subsidiaries. References to "Fiscal 2023" is to the fifty-two weeks ended December 30, 2023, "Fiscal 2022" is to the fifty-two weeks ended December 31, 2022 and "Fiscal 2021" is to the fifty-two weeks ended January 1, 2022. All amounts are in United States dollars, unless otherwise noted.

1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

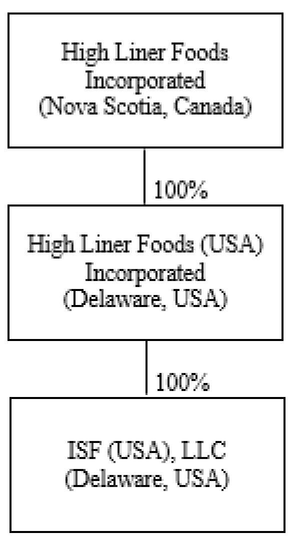
High Liner Foods Incorporated is a Nova Scotia ("NS") company amalgamated under the *Companies Act* of Nova Scotia. Its registered office is at 100 Battery Point, P.O. Box 910, Lunenburg, NS, Canada, B0J 2C0.

The Company's 125-year history began in 1899 with the founding of W.C. Smith & Company Limited, a ship chandlery and salt fish operation located in Lunenburg, NS. In 1926, the same group of shareholders diversified into fresh fish and cold storage and formed Lunenburg Sea Products Limited and conceived the ***High Liner*** brand. In 1938, these two companies merged, and in 1945, the merged companies, along with Maritime National Fish Company Limited of Halifax and other related companies, were brought together under the ownership of National Sea Products Limited. The present company was formed in 1967 when these related companies were amalgamated and on December 31, 1998, the Company's name was changed to High Liner Foods Incorporated.

1.2 Inter-Corporate Relationships

The Company's business is carried on principally through the parent company, High Liner Foods Incorporated (registered head office in Lunenburg, NS) and its wholly owned operating subsidiary, High Liner Foods (USA), Incorporated (registered head office in Portsmouth, New Hampshire ("NH")).

The following organizational chart illustrates the corporate structure of the Company and its significant subsidiaries, and their respective jurisdictions of incorporation.



2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Company Overview

High Liner Foods through its predecessor companies, has been in business since 1899 and has been a Canadian publicly-traded company since 1967, trading under the symbol 'HLF' on the Toronto Stock Exchange ("TSX"). The Company operates in the North American packaged foods industry with an expertise in frozen seafood. High Liner is a leading North American processor and marketer of value-added (i.e. processed) frozen seafood, producing a wide range of products from breaded and battered items to seafood entrées. The Company produces and markets seafood products for the retail, foodservice and club store channels. The foodservice channel consists of sales of seafood that are usually eaten outside the home and includes sales through distributors to restaurant and institutional customers.

High Liner owns strong brands, but is also an important supplier of private-label frozen seafood products for many North American food retailers, club stores and foodservice distributors. In addition, the Company is a major supplier of commodity products in the North American market. Retail branded products are sold throughout the U.S., and Canada under the ***High Liner***, ***Fisher Boy***, ***Mirabel***, ***Sea Cuisine,*** and ***Catch of the Day*** labels, and are available in most grocery and club stores. The Company also sells branded products to restaurants and institutions under the ***High Liner Culinary***, ***Mirabel***, ***Icelandic Seafood*** and ***FPI*** labels.

Although High Liner's roots are in the Atlantic Canadian fishery, seafood raw material and some finished goods are purchased from around the world, including Canada, the U.S., Europe, Asia and South America. The Company operates food-processing facilities in Lunenburg, NS; Portsmouth, NH; and Newport News, Virginia ("VA") and finished products are held in the Company's modern cold storage facilities, located in Lunenburg, NS; Peabody, Massachusetts ("MA"); Portsmouth, NH; Newport News, VA; and at third party cold storage centers. From these centers, products are distributed throughout North America. The Company's North American retail and foodservice businesses are managed in Toronto, Ontario and Portsmouth, NH.

2.2 Three Year History

During the three years ended December 30, 2023, the Company has been impacted by a number of factors, changes and initiatives including:

1. U.S. tariffs implemented in late Fiscal 2018 and continued throughout Fiscal 2021, Fiscal 2022, and Fiscal 2023.
2. Changes in the Company's common share dividend in Fiscal 2021, Fiscal 2022 and Fiscal 2023.
3. Refinancing of the Company's term loan facility in Fiscal 2021, and amendment of the working capital facility and term loan facility in Fiscal 2022.
4. Coronavirus disease outbreak ("COVID-19") pandemic beginning in Fiscal 2020, and its effects through to Fiscal 2023.
5. In 2021, the Company refreshed its purpose statement to be ***"Reimagining Seafood to Nourish Life"***.
6. Russia invasion of Ukraine in February 2022 and its continued impact in Fiscal 2023, including government sanctions in Canada and the U.S. that have impacted the Company's operations and financial results.
7. Change in Management.

U.S. Tariffs

In September 2018, the U.S. Trade Representative ("USTR") commenced trade discussions with China that resulted in various actions impacting the Company related to additional tariffs on goods imported to the U.S. During December 2019, the Company received notice of approval of an exclusion request submitted to the USTR regarding tariffs on certain goods imported to the U.S. from China that expired on August 7, 2020, and which was subsequently extended until December 31, 2020. The tariffs were reinstated following the expiry of the exclusion on December 31, 2020 and continued throughout 2021.

During March 2022, the Company received notice of approval of an exclusion extension request submitted to the USTR regarding tariffs on certain goods imported to the U.S. from China. The extension applied to tariffs already incurred, or that would otherwise have been incurred, on specific goods from October 12, 2021 to December 31, 2022. On December 16, 2022 the USTR announced that it will further extend this exclusion which will be applicable from January 1, 2023 to September 30, 2023.

The estimated annual run-rate exposure of the 25% tariff would have been approximately $5.0 million in 2023 before the extended exclusion based on current volume and raw material costs; however, the Company has implemented plans, including pricing actions and other supply chain initiatives, to mitigate the impact of these tariffs and reduce the estimated impact to the Company and its customers.

The Company will continue to monitor these developments closely in 2024, particularly as further information becomes available regarding potential additional tariffs or exclusions, or how the previously announced tariffs and exclusions will impact the Company.

Capital Structure & Dividends

During Fiscal 2021, Fiscal 2022 and Fiscal 2023 the Board of Directors revised the quarterly dividend to CAD$0.10, CAD$0.13 and CAD$0.15 per common share, respectively from CAD$0.07, CAD$0.010 and CAD $0.13 per common share, respectively. The revised dividend in each year reflected the Board's continued confidence in the Company's operations.

Debt Refinancing

During Fiscal 2021, the Company announced a refinancing of its term loan facility. The term loan facility was amended to decrease the applicable interest rates for loans under the facility from LIBOR plus 4.25% (1.00% LIBOR floor) to LIBOR plus 3.75% (0.75% LIBOR floor). All other material terms of the facility remained unchanged, including the limit of $300.0 million and the maturity date of October 2026.

On April 28, 2022, the Company amended its working capital facility to extend the term from April 2023 to April 2027 and to include a necessary update from LIBOR to Secured Overnight Financing Rate ("SOFR") based loans. Additionally, On October 6, 2022 the working capital facility was further amended to increase the revolving limit on the facility from $150.0 million to $200.0 million and to amend the Company's term loan facility from LIBOR plus 3.75% (0.75% LIBOR floor) to SOFR plus 3.75% (0.75% SOFR floor). All other material terms remain unchanged.

COVID-19

In March 2020, COVID-19 was recognized as a pandemic by the World Health Organization ("WHO"). COVID-19 continued to spread globally, including in the markets in which the Company operates, and had a significant impact on general economic conditions on a global scale. In response to the WHO declaration and the spread of COVID-19, several social distancing measures were undertaken by the Company and third parties, including governments, regulatory authorities, businesses and the Company's customers and suppliers, that impacted the Company's operations and financial results.

Starting mid-March 2020, High Liner Foods experienced a surge in demand from its retail customers tied to COVID-19 due to consumer trends shifting toward eating at home as a result of social distancing restrictions. As restrictions began to be lifted, the surge in demand eased, but the overall impact of COVID-19 on the Company's retail business continued to be positive throughout Fiscal 2020. The Company was able to meet the increased demand and satisfy its customers by redirecting resources, inventory and production capacity across its integrated North American operations. Over the same time period, the Company experienced a significant decline in its foodservice business, which represented approximately 65% of the total business in 2019, as a result of foodservice industry closures that included restaurants and schools across North America. Though the overall impact of COVID-19 on the Company's foodservice business was negative, demand from the Company's institutional customers, such as long-term and health care facilities, remained relatively stable. Since the initial impact of COVID-19 in 2020, foodservice demand steadily improved as restrictions were lifted and the Company's foodservice customers return to pre-COVID business levels. At the same time, the positive impact of COVID-19 on the Company's retail business has lessened as consumers return to eating at foodservice establishments.

In the beginning of the pandemic, the Company experienced limited issues with the procurement of raw materials and ingredients and limited interruptions in transportation and warehousing activities. However, starting in the first quarter of 2021, the Company began to experience supply challenges and rising freight costs due to global shipping container availability largely related to higher than normal demand as the economy recovers from COVID-19. These challenges continued throughout 2021 and 2022 with a competitive labour market, material supply issues, port congestion and shutdowns, and inflationary cost pressures resulting in supply chain delays and incremental costs. In 2023, these supply challenges started to ease and operations are performing at more normalized levels; consistent with that of prior years, before the pandemic.

In 2021, the Company participated in the Canada Emergency Wage Subsidy government grant program ("wage subsidy"), which in general provides wage subsidies to eligible employers as a means of limiting job losses in Canada. In 2021, the Company recognized $0.9 million in income-related wage subsidies as a reduction of salaries and benefits expense recognized in cost of sales, distribution expenses and selling, general and administrative expenses in the consolidated statements of income. For both Fiscal 2023 and Fiscal 2022, the Company did not participate in this program. In addition, the Company has not participated in any pandemic-related government assistance programs in the United States during Fiscal 2020, 2021 or 2022. The Company does not have any unfulfilled conditions or contingencies related to the government assistance received.

Refreshed purpose statement, *"Reimagining Seafood to Nourish Life"*

In 2021, High Liner Foods refreshed its purpose statement to be ***"Reimagining Seafood to Nourish Life"*** which more accurately reflects High Liner Foods’ business, its potential for the future and commitment to its stakeholders. The Company is and will continue to execute on its strategy to grow its frozen seafood, including our branded value-added products which provide consumers, retailers and foodservice operators with new ways to think about and enjoy seafood. As a purpose-driven organization, High Liner Foods has set out to reimagine seafood to nourish life. This includes commitment to an inclusive, equitable and diverse workplace that creates rewarding career opportunities that also helps to nourish the lives of its dedicated workforce (see Section 2.3 below).

Russia invasion of Ukraine

During February 2022, Russia invaded Ukraine which has had a negative impact on the global economy. In connection with this conflict, governments throughout the world, including Canada and the U.S., have imposed trade restrictions on certain products, including seafood, and financial and economic sanctions on certain industry sectors and parties in Russia. Although the Company has no direct operations in Russia or Ukraine, the global seafood supply chain does include a significant volume of whitefish, such as pacific cod and pollock, that are sourced from Russian waters. As some of the processed seafood purchased by the Company was made from seafood originally harvested in Russian waters, we have experienced shortages in materials and increased costs for transportation, energy, and raw material due in part to the negative impact of the Russia-Ukraine conflict on the global economy.

On December 22, 2023, the US Government issued a new executive order prohibiting the import of certain species of seafood into the United States. The new determination states that the current prohibition on Russian seafood imports now applies to salmon, pollock, cod, and crab products harvested in waters under the jurisdiction of the Russian Federation or by Russian flagged vessels outside of Russian waters even if this seafood has been reprocessed and substantially transformed outside of Russia. Any orders of product that include Russian country of harvest raw material must cease and only products ordered and are received on or before February 21, 2024, will be permitted into the country. High Liner Foods immediately implemented these new regulations and has developed plan to limit the impact of these new regulations on the business.

Further escalation of geopolitical tensions related to the conflict, including new sanction policies, increased trade barriers or restrictions on global trade, could result in, among other things, supply disruptions, cyberattacks, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and supply chain, and these impacts could be material.

Change in Senior Management

On August 29, 2023, the Board of Directors accepted the resignation of Rod Hepponstall as President and Chief Executive Officer ("CEO") of the Company, who continued in his role until September 15, 2023. On December 20, 2023, Paul Jewer, who had been serving as the Interim President and CEO since September 15, 2023, was officially appointed as President and CEO, in addition to retaining his role as Chief Financial Officer ("CFO"). On January 16, 2024, Deepak Bhandari was appointed as Interim CFO.

Additionally, Tom Jansen was appointed as Chief Supply Chain Officer on September 5, 2023, replacing Ron Van der Giesen who left the Company on October 8, 2022, as well as, Tim Rorabeck, Executive Vice President and General Counsel left the Company effective January 1, 2024.

2.3 Business Strategy

Our business strategy is focused on selling frozen seafood in North America. We focus on frozen seafood because we are experts in this category, and on the North American market, because we continue to see opportunities for growth by building on our position as a leader in frozen seafood in both the U.S. and Canada.

In 2021, High Liner Foods refreshed its purpose statement to be ***"Reimagining Seafood to Nourish Life"*** which more accurately reflects High Liner Foods' business, its potential for the future and commitment to its stakeholders. The Company's business strategy is guided by a strong sense of corporate purpose to reimagine seafood to nourish life. Through its integrated diversified supply chain and responsible procurement practices, High Liner Foods helps nourish families across North America with healthy, affordable and sustainable sources of protein.

In 2023, High Liner Foods launched a new, modern corporate brand anchored in a 'challenger mindset' to support the Company's bold strategic aspirations. "High Liner Foods: Changing the way we see food" represents a fundamental shift and evolution in the Company's business. This new brand identity is rooted in the Company's purpose, demonstrates our leadership and confidence, and sparks creative potential to help chart the Company's course for new opportunities and innovations.

Through its foodservice and retail businesses, High Liner Foods provides a steady supply of frozen seafood to foodservice and retail customers across North America. In foodservice, the Company serves non-commercial or institutional customers such as hospitals and schools and commercial dining establishments including quick service retail (QSR) and casual dining restaurants. In our retail business High Liner Foods' products are available in the freezer aisles of national retail chains across North America.

High Liner Foods seeks to inspire customers and consumers to reimagine the role seafood can play in their diet. From innovation, to packaging, to customer education, and direct to consumer marketing, the choice and versatility offered within High Liner Foods diverse portfolio of frozen seafood is designed to help more consumers choose High Liner Foods products more frequently. To achieve this, High Liner Foods continues to build and refine an expanded portfolio of frozen seafood products that provides customers with choice, quality and convenience across species and price points, with an emphasis on premium and discount offerings which typically fare better across market cycles.

The Company's premium products are value-added, either under one of the Company's brands, or as a private label product. In foodservice, the Company uses its premium value-added offering to strategically target operators looking for operational efficiencies, menu innovation and versatility. For example, High Liner Foods' value-added frozen seafood can be used as the protein source for multiple innovative menu items and to minimize labour requirements and costs as well as product waste.

In the retail environment, the Company's value-added products appeal to consumers who want to recreate restaurant quality dining at home or are seeking convenience. For example, High Liner Foods' Sea Cuisine line illustrates how Chef-inspired seafood can translate to the home kitchen. At the discount end of the price spectrum, the Company provides consumers with a high quality, healthy and affordable source of protein. This offering is best illustrated with the Company's Fisher Boy line.

High Liner Foods frozen seafood portfolio is supported by an integrated and diversified global supply chain which is a source of competitive advantage for the Company, especially during times of macroeconomic challenges such as the COVID-19 pandemic during 2020 and 2021 and the significant global supply chain challenges experienced in 2022.

The Company invests in strategic relationships with suppliers, partners and customers to build loyalty and facilitate its ability to execute its business strategy and drive commercial success to create value for all stakeholders over the long-term.

2.4 Growth Strategy

As the Company executes on its purpose driven strategy of ***"Reimagining Seafood to Nourish Life***," new corporate brand identity tells the world who we are, our corporate priorities and how we run our business. The brand is a unified expression of our purpose, vision and culture and supports our position as a North American leader in branded and value added seafood.

High Liner Foods is committed to expanding its share of the current frozen seafood category in foodservice and retail in Canada and the U.S. Specifically, High Liner Foods is focused on driving organic growth within areas it is a market leader including U.S non-commercial customers and Canadian retail, while also expanding in underdeveloped, high potential channels such as QSR and casual dining and increasingly popular species like shrimp and salmon.

One of the key tools to support the effective implementation of our corporate strategy is ongoing investment in data driven insights to inspire, innovate, expand, and over time, transform the frozen seafood category in North America. High Liner Foods is leveraging data to inspire a more innovative approach to using seafood on the menu in both QSR and casual dining. The Company is working closely with customers to demonstrate the potential for seafood focused items and presenting market-tested limited time offer concepts to customers to inspire innovation and initiate new business.

The Company believes that there is a significant opportunity to grow the seafood category in North America. Seafood, as a category, remains underdeveloped across North America. Even though consumers are increasingly seeking healthy, affordable, and sustainable sources of quality protein, seafood consumption has remained flat in North America for the past twenty years and has not grown in line with other proteins such as poultry.

High Liner Foods will seek to inspire more seafood consumption through ongoing innovation and value-added offerings in its portfolio and related sales and marketing activities, as well as strategizing on potential incremental actions that will grow the seafood category as a whole and further expand the upside potential for the Company.

The Company will seek to achieve this by advancing its organic growth strategy; we are also exploring ways to transform the category and expand the upside of its business. High Liner Foods is casting a wide net and considering opportunities related to the future procurement, consumption and marketing of seafood.

There are no assurances that a potentially transformative initiative will emerge from this process, and the Company will only proceed if the value creation potential is superior to the status quo. The Company is confident that it has a lot to offer, as a potential partner or acquirer, and is well-positioned to be a patient acquirer and strategic partner should the right opportunity present itself at the right time that will allow High Liner Foods to continue to grow its business, the category and create long-term sustainable growth for its shareholders.

3. THE BUSINESS

3.1 Product Marketing and Geographic Information

Trademarks and Brand Names

High Liner Foods' products are sold both directly and through distributors to North American retail and club stores, and through foodservice distributors to hotels, restaurants and institutions (such as healthcare and educational organizations). The majority of seafood products are marketed under a number of proprietary brands including: ***High Liner***, ***Fisher Boy***, ***Sea Cuisine***, ***Catch of the Day, High Liner Foodservice***, ***Mirabel***, ***Icelandic Seafood*** (under a licensing agreement) and ***FPI*** trademarks. In addition to branded products, High Liner Foods produces private-label frozen seafood products for numerous retailers, club stores and foodservice distributors throughout North America.

Under the Company's trademarks and brands, and from a variety of seafood species, High Liner markets a diverse range of frozen seafood products, including raw fillets and shellfish, cooked shellfish and value-added products such as sauced, glazed, breaded and battered seafood, along with seafood entrées. In addition, the Company produces breaded cheese sticks for a small, select group of customers. A full listing of "sub-brands" and product names are included on the Company's various foodservice and retail websites, which can be accessed through the corporate website at www.highlinerfoods.com.

Geographic Information

The Company is arranged as a single frozen seafood company that is focused on North America and is a single operating and reporting segment. Sales earned outside of Canada for the fifty-two weeks ended December 30, 2023 were $833.7 million (fifty-two weeks ended December 31, 2022: $809.4 million). Sales by geographic area are determined based on the shipping location.

In North America, the frozen seafood market can be divided into two categories: "Value-added" and "Unprocessed". Value-added consists of a number of different formats, including but not limited to breaded, battered, pan sear, fire roasted, upper crust, while unprocessed is seafood that has not been breaded, battered or prepared.

North American Operations

In North America, High Liner Foods competes in both categories of the frozen seafood market as described above, with a focus in the "value-added" categories. The Company produces both national branded and private-label products that are sold in retail (including club stores) and foodservice channels.

The North American retail division markets products under the ***High Liner***, ***Fisher Boy***, ***Sea Cuisine and Catch of the Day*** brands to various retailers including supermarkets, mass merchants, drug stores and club channels.

The North American foodservice division markets branded products under the ***High Liner Foodservice, High Liner Signature, Mirabel***, ***Icelandic Seafood*** and ***FPI*** brands to restaurants, cafeterias, and other institutions. Acquisitions of Fishery Products International, Inc., Viking Seafoods, Inc. and Icelandic USA in 2007, 2010 and 2011, respectively, provided strength in innovation, industry-recognized beer-battered products, a line of premium "Icelandic" fillets, and increased value-added frozen seafood sales operations that supported the Company's North American foodservice strategy.

The Company routinely introduces new products for consumers and its foodservice customers under the brands discussed above. The new products are derived from fish protein and include frozen fish offerings, family-size offerings, and shareable and snacking offerings. The value-added product innovations fueling future growth are based on insights, trends, product affordability, and great taste. In 2023, the Company continued to launch value-added branded multi-channel innovation to support growth.

Across North America, in both retail and foodservice, High Liner Foods employs a direct sales force and a network of sales brokers.

3.2 Production Facilities

As at December 30, 2023, High Liner Foods owned and operated three manufacturing facilities in North America consisting of: two plants in the U.S. (in Portsmouth, NH, and Newport News, VA) and one plant in Canada (in Lunenburg, NS).

The following table summarizes the capacity and 2023 utilization of the Company's manufacturing facilities based on finished pounds and current shift patterns. All of these facilities produce value-added seafood products.

Location	Annual Capacity*	Capacity Utilization*
Lunenburg, NS, Canada	50,000,000	89 %
Portsmouth, NH, U.S.	61,000,000	98 %
Newport News, VA, U.S.	61,000,000	97 %

* The capacities above are based on the 2023 manufacturing profile of finished pounds. Currently, capacities could be increased at the Lunenburg, Portsmouth and Newport News facilities to 60 million, 90 million and 100 million pounds, respectively, by implementing a change in shift patterns, and additional capital investment.

The Company utilizes a combination of Company-owned and third party-managed cold storage facilities.

Asia Operations

The Company has several major custom processing agreements with third party producers in Asia involving the production of a large volume of wild caught raw material and finished product. Many of these agreements have been in place for several years and help to ensure a consistent supply of high quality product at competitive costs. Over the past few years, the Company has been expanding our supplier base away from China to other parts of Asia, including Thailand and Indonesia.

Regulatory Environment

At High Liner Foods, food safety is our top priority. Our brand equity and reputation are inextricably linked to the quality and safety of our food products, and we must be vigilant in ensuring our products are safe and comply with all applicable laws and regulations. Customers expect consistently safe, quality products and their expectations are unwavering regardless of the commodity or complexity of the supply chain. Consumers are increasingly better informed about conscientious food choices.

The Company's processing plants have all the required State, Provincial and/or Federal licenses to operate and are certified to the Global Food Safety Initiatives ("GFSI") and Safe Quality Foods ("SQF") standards, meaning our processing plants have passed a rigorous quality and food safety system audit that is internationally recognized and globally benchmarked. The GSFI certification enables the Company to supply our wide range of products to some of the industry's most discerning customers. This annual certification process helps drive improvement across the organization; critical for maintaining customer and consumer confidence.

In Canada, certain food businesses, including seafood-processing plants, are required to adopt a Preventive Control Plan ("PCP") under the Safe Food for Canadians Act and Regulations. These requirements cover the regulatory and safety aspects of food processing and importation in Canada and have been developed by the Canadian Food Inspection Agency ("CFIA") based on global best practices. This plan must also include a hazard analysis that describes how hazards will be controlled and/or eliminated. High Liner Foods' PCP and processing facilities are regularly inspected and audited by the CFIA and remain in good standing.

In the United States, the Company's plants produce product in accordance with standards set forth by the U.S. Food and Drug Administration's ("FDA") and the U.S. Department of Agriculture ("USDA"). The regulatory requirements for seafood processing (and importation) in the United States are very specific for fish and fishery products and all plants are required to operate with current seafood Hazard Analysis Critical Control Point ("HACCP") programs. Our plants are regularly inspected and audited by our regulatory partners in the U.S. and remain in good standing.

In addition, our suppliers' plants outside of North America must demonstrate compliance for imported products in accordance with the guidelines set forth in the FDA seafood HACCP regulation. All the Company's non-North American suppliers operate with detailed HACCP programs in place and are required to adhere to newly strengthened FDA and Canadian CFIA importation requirements focusing on food safety and traceability. In addition, all purchases are subject to risk-based quality review and verification by the Company's food safety and quality professionals. We have strict specifications for suppliers of both raw material and finished goods to ensure that procured goods are of the same quality and consistency as products processed in our own plants. High Liner Foods has offices in Qingdao, China; Bangkok, Thailand; and Reykjavik, Iceland and employs full-time procurement, food safety, and quality experts to oversee procurement activities around the world. This oversight includes production monitoring and finished product inspection at the source before shipment to North America.

In order to maintain compliance with the various and ever changing regulatory, industry and customer requirements and expectations, we employ a Food Safety and Quality Assurance team comprised of highly qualified, trained and experienced personnel including food scientists, quality technicians, quality and food safety auditors, and labelling and nutritional professionals. High Liner Foods retains independent auditors to add an additional level of scrutiny to our food safety programs and has robust audit policies and processes that are consistently applied throughout the Company. We are continuously evaluating and updating our internal operating standards to keep pace with the industry expectations and to support improved performance and greater success.

3.3 Competitive Conditions

Competition is very intense in the North American retail market where the primary competitive factors are price, convenience, consistent supply, taste, nutrition, value, consumer brand recognition and loyalty. Additionally, the competitive landscape is changing where there is an increased risk that High Liner Foods' suppliers or customers could become competitors if they decide to distribute or source their own seafood products. The Company believes that the key to growing loyalty at the shelf, which will help to remain competitive, is enhancing and energizing the brands. In 2022, the ***High Liner*** and ***Sea Cuisine*** brand positioning and campaigns were successfully refreshed to further strengthen brand loyalty. In 2023, the Fisher Boy brand positioning and campaign was successfully refreshed to further strengthen brand loyalty.

In the Canadian retail seafood market, the ***High Liner*** brand is the market leader. The Company also supplies value-added and commodity products under the ***Catch of the Day*** brand and a number of private labels. In the U.S., the Company is one of the largest value-added frozen seafood suppliers, including both value-added and commodity products. The Company's private label offerings combined across multiple retailers share the leadership position. The Company's major competitors in the retail seafood market are national marketers of brand name and generic products, including Nippon Suisan (Gorton's and BlueWater brands), ConAgra Brands (Mrs. Paul's and Van de Kamp brands), Rich Products Corporation (SeaPak and Morey's brands), Trident Seafoods Corporation, Janes Family Foods Ltd. and Aqua Star.

In the North American foodservice market, continuity of supply, customer service, and price are the major components of competition. High Liner Foods' major competitors in the foodservice market consist of vertically-integrated seafood companies, food-processing companies and seafood traders. In the Canadian foodservice seafood market, the Company holds a leading market position in the value-added frozen seafood category. The Company's major competitors in Canada include Toppits Quality Frozen Foods, Export Packers Company Limited, Beaver Street Fisheries, Trident Seafoods Corporation and many smaller trading companies. In the U.S., the Company supplies ***High Liner*** *Foodservice, Fisher Products International (FPI), Icelandic Seafood, Samband Brand, Seaside Brand* - branded and private-label products in the foodservice channel and major competitors include Trident Seafoods Corporation, Nippon Suisan (owning King & Prince in the U.S.), Mazzetta Company, Tampa Maid, Red

Chambers (owning Tampa Bay Fisheries), Ocean Food Sales, Ocean Beauty, Aqua Star, Beaver Street Fisheries, Pacific Seafood Group and many smaller trading companies.

3.4 Components - Procurement of Raw Materials and Finished Goods

High Liner Foods is dependent on its seafood procurement activities and in 2023, purchased approximately 154.5 million pounds of seafood, with an approximate value of $511.4 million. In 2023, the Company procured approximately 24 different species from 20 different countries.

The major species procured in 2023 accounted for approximately 94.1% of the total dollar purchases in 2023. These species are as follows:

Species	Percent of Total Purchases
Cod	30.2 %
Salmon	19.0 %
Pollock	16.8 %
Haddock	11.1 %
Tilapia	8.1 %
Shrimp	7.2 %
Sole	1.7 %
Total major species	**94.1 %**

The Company has a stringent supplier selection process that ensures various feasibility and compliance requirements are evaluated. As disclosed in Section 3.2 above, the Company's suppliers operate with detailed HACCP programs in place and are audited to such by third parties and/or High Liner Foods, regardless of geographic location. High Liner Foods' dedicated supplier quality professionals oversee the supplier qualification and product verification activities. Desktop compliance and facility audits are performed to ensure suppliers' facilities and the products they produce meet or exceed requirements set by the Canadian and U.S. food authorities and High Liner Foods' product specifications. When product is received in either Canada or the U.S, the respective food inspection agencies may perform various verification activities up to and including, independent testing of products prior to release to High Liner.

Our foreign representative offices in Qingdao, China; Bangkok, Thailand; and Reykjavik, Iceland employ procurement and quality staff to oversee procurement activities in those major countries from which product is procured. In addition, agents in Chile, India, Indonesia and Vietnam supervise procurement activities in their respective areas.

It is not industry practice to have significant long-term contracts to purchase raw seafood. The futures market for seafood where forward purchases can be hedged is limited. Therefore, the Company's strategy is to build long-term strategic relationships with seafood suppliers. Agreements of up to one year in duration are entered into with these suppliers, and can cover both price and quantity, but often provide for quality and quantities only, with price determined by the market at the time of shipment or on a quarterly basis. Substantially all purchases are in USD. From time to time, depending upon market conditions, the Company takes inventory positions to ensure sufficient raw materials at acceptable costs.

The long-term global demand for fish and seafood continues to grow. The catch of wild fish has stabilized at around 91 million tonnes annually, which represents approximately 50% of the total supply, while aquaculture production continues to increase as shown in Exhibit 1. Exhibit 2 indicates catches of the ten most important wild groundfish species, as reported by the Food & Agriculture Organization of the United Nations ("FAO") in 2023, along with estimates of panelists, as presented at the 2023 Groundfish Forum webinar, an industry group that meets annually to discuss the global seafood industry.

Exhibit 1 - Global Overview: Total Catches

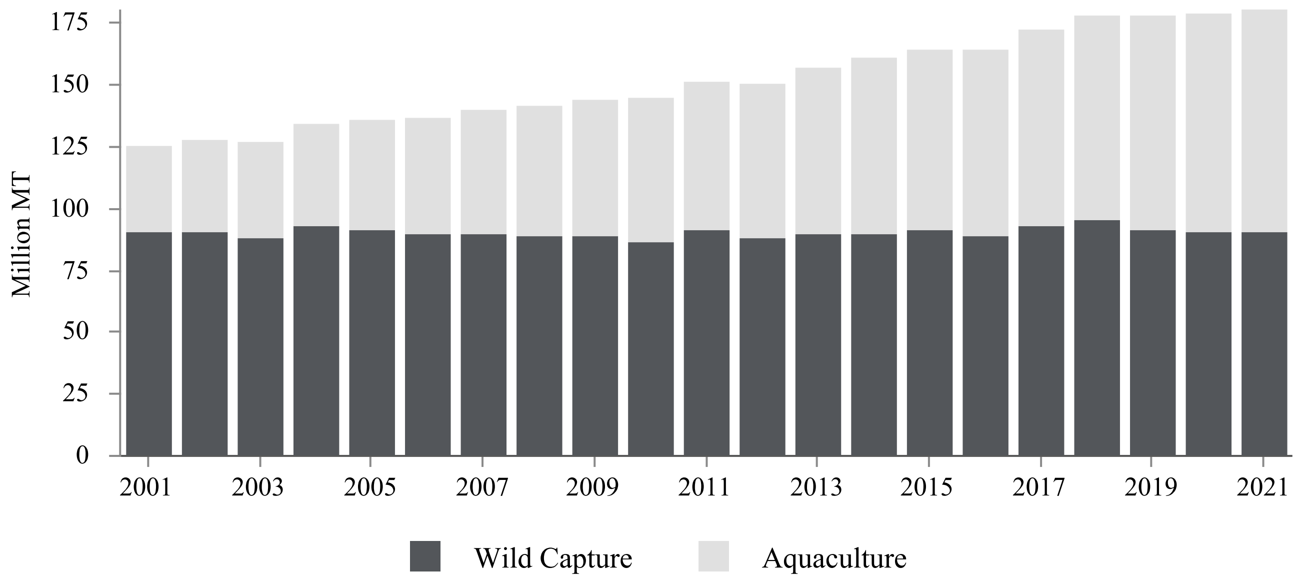
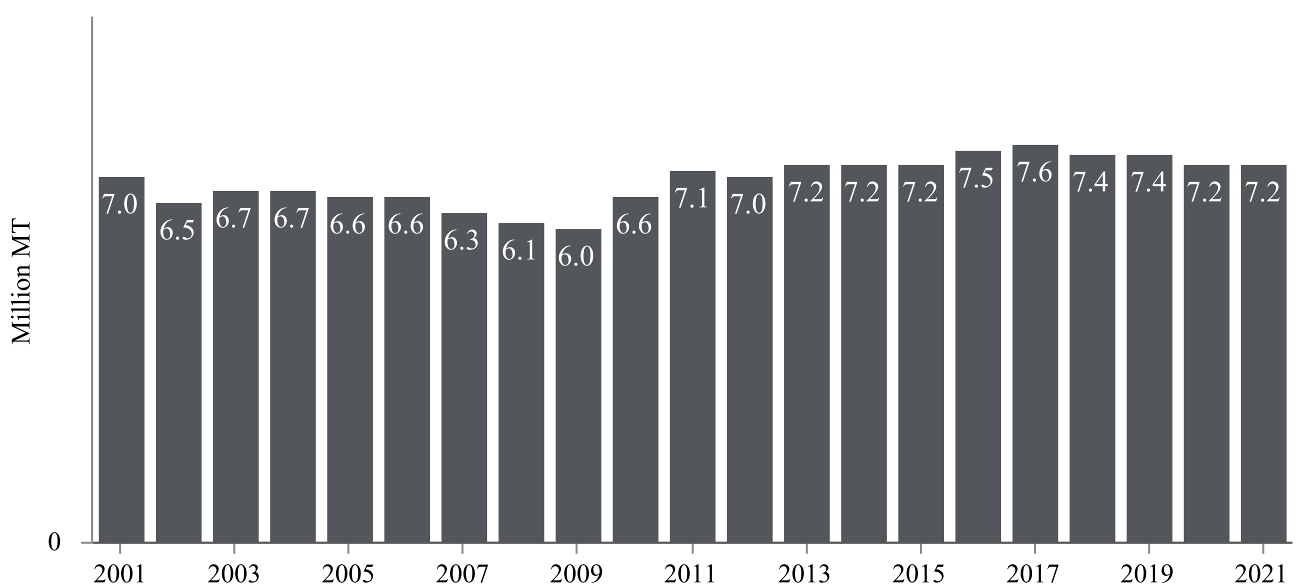


Exhibit 2 - Global Groundfish Summary: Major Species*



* Major species include: Alaskan pollock; Atlantic cod; Pacific cod; haddock; saithe (Atlantic pollock); redfish (ocean perch); Cape hake; South American hake; North Pacific hake and hoki.

The total supply of seafood continues to increase because of significant increases in aquaculture. Globally, there has been considerable development in the aquaculture industry both in finfish and shellfish species. This trend is expected to continue. High Liner currently procures aquaculture products, including warm water shrimp, tilapia, pangasius (basa), mussels, scallops and Atlantic salmon. The Company's strategy is to increase the procurement of aquaculture products in the future and align with this trend of increased aquaculture. Currently, 32% of the Company's procurement by value is related to aquaculture product.

High Liner Foods made a commitment in late 2010 to source all of its seafood from "certified sustainable or responsible" fisheries and aquaculture farms by the end of 2013. With this commitment, High Liner Foods requires wild-caught seafood and farmed products to either:

- come from fisheries and aquaculture processors certified as sustainable; or
- if those suppliers are not certified, they must be on a clear, defined path, actively working towards being sustainable, and capable of documenting measurable improvements. High Liner Foods collaborates with its NGO partner, the Sustainable Fisheries Partnership, in assisting suppliers falling into this category, with achieving sustainability objectives.

By the end of 2013, High Liner Foods had substantially achieved the commitment it made in late 2010 and is now recognized as a global leader in driving best practice improvements in wild fisheries and aquaculture. High Liner Foods defines responsibly sourced seafood in alignment with credible certification schemes that have successfully benchmarked against the Global Sustainable Seafood Initiative benchmark. The Company requires suppliers to demonstrate they minimize damage to fish habitats and use effective strategies to avoid bycatch. Responsible sourcing has been monitored as an environmental, social and governance ("ESG") metric for the Company, growing from 90% responsibly sourced seafood in 2017 and increasing each year to 96% certified in 2023. In addition, a social compliance program was implemented with seafood suppliers in 2015 that outlines acceptable standards for the treatment of all suppliers' employees involved in the production of seafood products for the Company. Of the raw material used in the Company's products that is purchased from primary seafood suppliers, 100% is sourced from audited suppliers.

For a detailed description of the risks associated with commodity prices and currency fluctuations in relation to procurement of raw materials, including the risks exacerbated by the Russia invasion of Ukraine in February 2022, refer to the Company's Management's Discussion & Analysis ("MD&A") for the year ended December 30, 2023.

3.5 Seasonality

High Liner Foods' operating results by quarter fluctuate throughout the year. For a detailed discussion regarding how seasonality affects the Company's operations, refer to the Company's MD&A for the year ended December 30, 2023. The MD&A also includes a summary of sales, and net income, on both a total dollar and a per share basis, for the eight most recently completed quarters ending December 30, 2023.

3.6 Employees

At December 30, 2023, High Liner Foods had 1,202 active regular full and part-time employees, of whom 704 were salaried employees and 498 were hourly employees.

Regular full and part-time employees by country are as follows:

Country	Number of Employees
U.S.	660
Canada	522
China	14
Thailand	4
Iceland	2
Total	**1,202**

High Liner Foods has approximately 261 unionized employees in its Lunenburg facility who are represented by the Unifor union. The Lunenburg collective agreement was set to expire December 31, 2023 and was renegotiated and ratified by the union on December 3, 2023. The new collective agreement has an expiry date of December 2026. The Company believes it has good relations with its unionized employees and does not anticipate any labour disruptions in 2024. The hourly workers in Portsmouth, Newport News, and Peabody are not unionized.

3.7 Effect of Volatility of Canadian Dollar

The Company has chosen a USD presentation currency because, although the functional currency of the Canadian parent company is CAD, the Company believes the USD presentation better reflects the total Company's business activities and improves investors' ability to compare the total Company's financial results with other publicly-traded businesses in the packaged foods industry (most of which are based in the U.S. and report in USD). This should also result in less volatility in sales and earnings and also on the balance sheet, as a large part of financial statement items are functional USD or influenced by USD-denominated commodities. The chart below shows USD/CAD exchange rates for the period of 2021 to 2023.

USD / CAD Exchange Rate	2023	2022	2021
Balance Sheet - year-end rate	0.7573	0.7389	0.7901
Income Statement - average rate	0.7409	0.7682	0.7978
Percent change - year-end rate	2.5%	(6.5%)	0.8%
Percent change - average rate	(3.6%)	(3.7%)	7.0%

Approximately 77.2% of the Company's sales and related operations are denominated in USD; the majority of debt is denominated in USD; bank covenants are measured in USD; and some of the Parent company's input costs are denominated in USD. Reporting in USD reduces the volatility of currency changes; however, when the U.S. dollar strengthens (weakening Canadian currency), the reported values of CAD-denominated items of the Parent company decrease in the consolidated statements and the opposite occurs when the U.S. dollar weakens. CAD-denominated items in the Parent company's operations are converted to USD at the balance sheet date for balance sheet items and at the average exchange rate of the month the transaction occurs for income statement items. As such, foreign currency fluctuations affect the reported values of individual lines on the Company's balance sheet and income statement.

The table below shows Company net sales in domestic currency or assuming a constant exchange rate of par between the U.S. and Canadian dollar, and calculates the change in net sales in domestic currency.

(Amounts in 000s, except percentages)		2023		2022		2021
Sales as reported (USD)	$	1,080,338	$	1,069,714	$	875,405
Foreign exchange effect		85,091		77,360		56,224
Sales in domestic currency	**$**	**1,165,429**	**$**	**1,147,074**	**$**	**931,629**
Change in sales, excluding FX effect		**1.6 %**		**23.1 %**		**4.0 %**

3.8 Social and Environmental Policies

The Company's food processing plants are subject to federal, provincial, state and municipal legislation and regulation with respect to safety and environmental matters.

Corporate Social Responsibility ("CSR") is a term used to refer to the set of voluntary actions companies take to mitigate the social and environmental impacts of their operations on society. CSR is significant in the seafood industry as seen through the multiplication of private initiatives such as certification programs, sourcing commitments and improvement projects. Many of the issues addressed through CSR in seafood occur in the downstream end of seafood supply chains and include sustainable fish stocks, social aspects such as working conditions and fair wages, and transparency. High Liner Foods has continued its leadership position with the preparation of CSR reports since 2016 that disclose many of the improvement efforts underway.

In the U.S., state labour laws and the federal Occupational Safety & Health Act ("OSHA") regulate how work must be conducted in the Portsmouth and Newport News plants. In Canada, provincial legislation and Workers Compensation Boards play an active role in monitoring health and safety in workplaces. Employee safety committees are in place at each High Liner Foods facility. These safety committees report to the Corporate Safety Steering Committee which in turn reports to the Human Resources Committee of the Board. A corporate Safety Policy is in place to ensure a safe workplace for all High Liner Foods' employees and safety policies are in place at each facility to protect employees and to maintain compliance with legislation. Regular specialized employee training is required under many of the policies.

With respect to environmental protection, the Company has an Environmental Management Policy ("EMP") designed to ensure that High Liner meets or exceeds the requirements of the federal, provincial, state, municipal and local environmental laws and requirements in both the U.S. and Canada. A risk of environmental impact is inherent in food processing operations, activities associated with such operations, and the ownership, management or control of real estate. However, the Company's policy and internal management ensures this risk is managed in accordance with diligent practices.

High Liner plants contain substantial freezing equipment, all of which utilize ammonia systems. Any release of ammonia in the operation of this equipment could result in environmental and employee safety hazards and remediation requirements, and therefore maintenance of the related equipment is a priority. The Company has a comprehensive emergency response plan in all facilities and personnel are well trained and, where required, certified in hazardous materials handling.

Each facility has a preventative maintenance program that is monitored and upgraded as required. Currently, the Lunenburg, Portsmouth, and Newport News plants operate computerized maintenance management systems. These programs allow maintenance teams to closely monitor and manage both preventative maintenance and work orders at the facilities.

As part of the EMP, High Liner has an employee Environmental Steering Committee, which reports its matters to the Audit Committee of the Board (see the "Audit Committee Charter" in the Appendix). The mandate of the Environmental Steering Committee is:

1. To review and report to the Board on the Company's compliance with all environmental and safety regulations and laws in the areas where it carries on business;
2. To assist management in developing action plans to deal with environmental and safety issues; and
3. To monitor management's progress at rectifying any situations identified as potential risks.

The Company's Board of Directors, through its committees, receives regular reports on the Company's safety and environmental management, and oversees efforts of the Company to maintain safe and environmentally compliant workplaces.

Environmental protection requirements are integrated into the Company's overall enterprise-wide risk management programs. In 2022, the city of Portsmouth received new National Pollutant Discharge Elimination System permits for its wastewater treatment facilities, which require a formal Industrial Pretreatment Program. This program will require greater attention to the regulations and dedication to documentation. Until such time the new Environmental Protection Agency ("EPA") wastewater effluent requirements are enacted, it is indeterminable how these requirements will impact High Liner, including additional capital expenditures, earnings and competitive position in 2024.

Due to the reliance on global raw material procurement, the Company has also implemented compliance standards and mandatory requirements for suppliers. All suppliers to High Liner Foods are required to accept and comply with "Supplier Approval and Audit Standards". Approval as a supplier requires compliance with all regulatory requirements applicable to High Liner Foods' products, including with HACCP, QMP and High Liner high-quality specifications. As well, suppliers must accept the "Supplier Code of Conduct", which requires compliance with local laws and ethical business practices. High Liner Foods works with Social Ethical Data Exchange, which offers a system for analyzing ethical and responsible business practices throughout the supply chain. High Liner Foods requires its raw material suppliers to pass a credible social compliance audit that is dependent on specific risk factors by country at frequencies defined in its Supplier Code of Conduct.

The Board of Directors and management believe that high environmental, social and governance ("ESG") standards support the Company's profitability and valuation and aligns with the values of our Shareholders. Given the importance and pervasiveness of ESG to the Company's risk management and business strategies, the oversight function has been assigned across various committees of the Board, where deemed most appropriate. The Governance Committee oversees the Company's ESG framework as well as management's integration of ESG into the overall governance structure, business strategy and risk management practices of High Liner Foods. The Audit Committee oversees environmental compliance matters and the Human Resources Committee reviews the health and safety performance of the Company. Beginning in 2021, the Human Resources Committee also began overseeing the implementation of new performance metrics and weightings regarding safety and ESG in executive compensation. To address carbon emissions, the Company has implemented a 2022 work plan that continues to identify and refine greenhouse gas emissions as part of the implementation of a carbon reduction program.

4. RISK FACTORS

The Company is subject to a number of risks and uncertainties related to its businesses that may have adverse effects on its results of operations and financial position. These risks and uncertainties, as well as other factors that could potentially impact the Company's results of operations and financial position, can be found in the Company's MD&A for the fifty-two weeks ended December 30, 2023 under the heading "*Risk Factors*", which is incorporated by reference herein. The Company's MD&A has been filed electronically through SEDAR+ and is available online at www.sedarplus.ca.

5. DIVIDEND GUIDELINE

Beginning in the last quarter of 2003, the Company instituted a quarterly dividend to holders of High Liner Foods' common shares. In determining the level of dividends paid, the Board of Directors considers the relative yield on High Liner Foods' shares compared to its industry peers, as well as indebtedness of the Company and the percent of expected annual net income being distributed by way of dividends. A payout of between 30% and 35% of trailing adjusted earnings per share is generally targeted, but no set dividend policy exists. Shareholders are reminded for purposes of calculating financial ratios, including the dividend payout ratio, to take into consideration that the Company's dividend rate is reported in CAD and its earnings are reported in USD.

In November 2023, the Board elected to increase the quarterly dividend to CAD$0.15 per common share from CAD$$0.13 per common share applicable on a prospective basis, commencing with the Company's Q4 2023 quarterly dividend. The increase in the quarterly dividend reflects the Board's recognition of the Company's strong performance and continued confidence in the Company's operations.

The following table sets forth the dividends per share declared and paid on the Company's common shares over the last three fiscal years:

Dividend Record Date	Quarterly Dividend $CAD	
December 1, 2023	$	0.15
September 1, 2023	$	0.13
June 1, 2023	$	0.13
March 2, 2023	$	0.13
December 1, 2022	$	0.13
September 1, 2022	$	0.10
June 1, 2022	$	0.10
March 2, 2022	$	0.10
December 1, 2021	$	0.10
September 1, 2021	$	0.07
June 1, 2021	$	0.07
March 3, 2021	$	0.07

On February 21, 2024, the Company's Board of Directors approved a quarterly dividend of CAD0.15 per share on the Company's common shares payable on March 15, 2024 to holders of record on March 1, 2023.

Among other things, financial covenants in the Company's credit facilities may affect the amount of the dividend. Debt arrangements, negotiated as a result of the financing of acquisitions (substantially amended in February 2013, April 2014, October 2019, March 2021, April 2022, and October 2022, and described further in Section 15 of this document), contain provisions that dividends can continue to be paid as long as the Company meets certain financial targets. Under the Company's $300.0 million senior secured term loan facility ("Term Loan"), dividends cannot exceed $17.5 million per year. This amount increases to the greater of $25.0 million per year or 32.5% of EBITDA as defined in the loan agreement when the defined total leverage ratio for the Company is below 4.0x. The defined total leverage ratio was 2.6x on December 30, 2023.

Normal Course Issuer Bids ("NCIB") (see Section 6, *Capital Structure*) are subject to an annual limit of $10.0 million under the Term Loan facility. In addition, under the Company's working capital facilities "Average Adjusted Aggregate Availability", as defined in the credit agreement, needs to be $25.0 million or higher and was $168.0 million on December 30, 2023. NCIBs are also subject to an annual limit of $10.0 million under the Company's working capital facilities, with a provision to carry forward unused amounts subject to a maximum of $20.0 million per annum. The Term Loan (and amendments) can be reviewed at www.sedarplus.ca.

6. CAPITAL STRUCTURE

6.1 Share Capital

The authorized capital of the Company consists of:

i. an unlimited number of common shares,
ii. an unlimited number of non-voting equity shares (“**Non-Voting Equity Shares**”),
iii. 5,999,994 preferred shares with a par value of CAD$25.00 each issuable in series (the “**Preferred Shares**”), and
iv. 1,025,542 subordinated redeemable preference shares with a par value of CAD$1.00 each, redeemable at par (the “**Subordinated Preference Shares**”).

As at December 30, 2023, the Company had outstanding 33,019,318 common shares, nil Non-Voting Equity Shares, nil Preferred Shares and nil Subordinated Preference Shares. The only listed shares of the Company outstanding at December 30, 2023 are the common shares that are listed on the TSX.

The rights of the holders of common shares and those of the holders of the Non-Voting Equity Shares are subject to the rights of the holders of the preference shares of the Company which enjoy a preferential right to dividends and return of capital on liquidation. The following is a summary of the share conditions attaching to the common shares and Non-Voting Equity Shares of High Liner.

Summary of Share Conditions of the Common Shares and the Non-Voting Equity Shares

The common shares and the Non-Voting Equity Shares rank equally, *pari passu*, share for share, with each other and entitle the respective holders thereof to the same rights and benefits except as otherwise provided in the conditions attaching thereto.

Priority and Distribution Rights

The common shares and the Non-Voting Equity Shares rank equally in respect of dividends and distributions. The holders of the common shares and the Non-Voting Equity Shares are entitled to receive the remaining assets of High Liner in equal amounts per share, without preference or distinction, in the event of the liquidation, dissolution or winding up of High Liner.

Notice and Voting Rights

Holders of the common shares are entitled to receive notice of and to attend all meetings of the shareholders of High Liner (except class meetings of other classes of shares of High Liner, including the Non-Voting Equity Shares) and to one vote thereat for each common share held.

Holders of the Non-Voting Equity Shares are entitled to receive notice of and to attend (i) any meeting of the holders of the common shares but shall not be entitled to vote thereat, except as otherwise provided by law, and (ii) any meeting of the holders of Non-Voting Equity Shares as a class where required or permitted by the applicable share conditions or by applicable law, and to exercise one vote thereat for each Non-Voting Equity Share held.

Redemption/Retraction/Conversion Rights

High Liner may at any time, in accordance with the terms of the share conditions, redeem the whole or any part of the Non-Voting Equity Shares upon payment of all dividends declared thereon and unpaid plus one common share.

At anytime after August 7, 2008 if the Non-Voting Equity Shares are not listed on the TSX or a recognized stock exchange at the time, each Non-Voting Equity Share will be retractable by the holder thereof, in accordance with the terms of share conditions, for the payment of all dividends declared thereon and unpaid plus one common share or, if permitted under the *Companies Act* (Nova Scotia), cash equal to the volume-weighted average trading price of one High Liner common share on the TSX for the five trading days preceding the date of delivery of a notice of retraction to High Liner, at High Liner's option.

At anytime after April 30, 2010, each issued and fully paid common share will be convertible by holder thereof, into one Non-Voting Equity Share.

Adjustments

High Liner shall not issue common shares or Non-Voting Equity Shares to all of the holders of common shares or Non-Voting Equity Shares as a stock dividend, subdivide or consolidate its outstanding common shares or Non-Voting Equity Shares, issue rights, options or warrants to acquire common shares or Non-Voting Equity Shares to all of the holders of its common shares or Non-Voting Equity Shares, re-designate or reclassify the common shares or Non-Voting Equity Shares outstanding at any time or change common shares or Non-Voting Equity Shares into other shares or into other securities, or otherwise amend the common shares or Non-Voting Equity Shares or take any other action affecting the number, composition, rights or structure of the common shares or Non-Voting Equity Shares, in each case unless a corresponding change is also made to the Non-Voting Equity Shares or common shares, respectively. High Liner shall not engage in a consolidation, amalgamation, arrangement or merger of High Liner with or into any other corporation or entity (other than a consolidation, amalgamation, arrangement or merger of High Liner which does not result in any reclassification of the outstanding common shares or Non-Voting Equity Shares), or sell or otherwise transfer the undertaking or assets of High Liner as an entirety or substantially as an entirety to another corporation or entity, unless, in each case, adequate provision is made to ensure that the registered holders of Non-Voting Equity Shares as such shall, after such event, be in a position in relation to the common shares (or such other shares or securities into which the common shares may have been re-designated, reclassified or changed) no more nor any less advantageous than the position in which the holder was immediately prior to the occurrence of such event.

Coattail Rights

In the event of a formal bid for the common shares (an "**Offer**") and unless the Offer is made to all or substantially all of the holders of the Non-Voting Equity Shares on identical terms and conditions as those made to the holders of the common shares, each Non-Voting Equity Share shall for the purposes of the Offer be deemed to have been converted as of and on the business day immediately prior to the date on which the Offer is made into one common share. Non-Voting Equity Shares deemed to have been so converted and taken up and paid for pursuant to the Offer shall, immediately after being taken up and paid for, be and be deemed to have been reconverted into Non-Voting Equity Shares.

Amendments

The rights, privileges, restrictions and conditions attaching to each of the common shares, as a class, and the Non-Voting Equity Shares, as a class, respectively, may be added to, changed or removed only with the prior approval by affirmative vote of at least two-thirds of the votes cast by the holders of the common shares or of the Non-Voting Equity Shares, respectively, as the case may be, in addition to any vote or authorization required by applicable law or the articles of High Liner.

Summary of Share Conditions of the Preferred Shares

Issuable in Series

The Preferred Shares are issuable in series, with each series consisting of such number of shares and having such provisions as may be determined by the directors of the Company prior to issue.

Priority and Distribution Rights

The Preferred Shares of each series rank equally with the Preferred Shares of all other series and rank ahead of the common shares and Non-Voting Equity Shares (and any other shares ranking junior to the Preferred Shares) with respect to the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

In the event of any liquidation, dissolution or winding-up of the Company or any other return of capital or distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares shall be entitled to receive, in accordance with the terms of the share conditions, the amount paid up on the Preferred Shares, together with accrued and unpaid dividends.

Notice and Voting Rights

The holders of Preferred Shares do not have the right to receive notice of, attend, or vote at, any meeting of shareholders except to the extent otherwise provided in the constating documents of the Company with respect to any series of Preferred Shares or when holders of Preferred Shares are entitled to vote separately as a class or as a series as set forth in the *Companies Act* (Nova Scotia) or any successor statute, as amended from time to time.

Redemption Rights

High Liner may at any time, in accordance with the terms of the share conditions, redeem the whole or any part of the Preferred Shares upon payment of the redemption price, and any premium, together with accrued and unpaid dividends.

Amendments

The Company may not create or issue any shares ranking in priority to the Preferred Shares as to the payment of dividends or the distribution of assets without the approval of two thirds of holders of the Preferred Shares.

The rights, privileges, restrictions and conditions to the Preferred Shares may be added to, changed or removed only with the prior approval by affirmative vote of at least two-thirds of the votes cast by the holders of the Preferred Shares in addition to any vote or authorization required by applicable law or the articles of High Liner.

Summary of Share Conditions of the Subordinated Preference Shares

Distribution Rights

The Subordinated Preference Shares do not confer upon the holders the right to dividends, except a dividend declared on the Subordinated Preference Shares. The directors may at any time and from time-to-time declare a dividend or confer any other benefit whatsoever upon the holders of any other class of shares of the Company without being obliged to declare an equal or any dividend or confer an equal or any other benefit upon the holders of the Subordinated Preference Shares.

In the event of any liquidation, dissolution or winding-up of the Company or any other return of capital or distribution of assets of the Company among its shareholders for the purpose of winding up or re-organizing its affairs, no distribution shall be made to the holders of the common shares until the holders of Subordinated Preference Shares have been paid the amount paid up or deemed paid up on the Subordinated Preference Shares.

Notice and Voting Rights

The holders of Subordinated Preference Shares do not have the right to receive notice of, attend, or vote at, any meeting of shareholders except when holders of the Subordinated Preference Shares are entitled to vote separately as a class or as a series as set forth in the *Companies Act* (Nova Scotia) or any successor statute, as amended from time to time.

Redemption / Repurchase Rights

High Liner may at any time, in accordance with the terms of the share conditions, redeem the whole or any part of the Subordinated Preference Shares upon payment of all amounts paid up or deemed to paid up.

High Liner may at any time, in accordance with the terms of the share conditions, repurchase the whole or any part of the Subordinated Preference Shares in the open market.

Amendments

The Company is permitted, without approval from the holders of the Subordinated Preference Shares, to create or issue any shares ranking in priority or on a parity to the Subordinated Preference Shares as to the payment of dividends or the distribution of assets.

The rights, privileges, restrictions and conditions to the Subordinated Preference Shares may be added to, changed or removed only with the prior approval by affirmative vote of at least two-thirds of the votes cast by the holders of the Subordinated Preference Shares in addition to any vote or authorization required by applicable law or the articles of High Liner.

6.2 Normal Course Issuer Bid

In June 2022, the Company filed a new NCIB to repurchase up to 200,000 common shares.The price the Company will pay for any common shares acquired will be the market price at the time of acquisition. Purchases could commence on on June 7, 2022 and be made until the termination date on June 6, 2023. During the fifty-two weeks ended December 31, 2022, the Company purchased 135,568 common shares under this plan.

In June 2023, the Company filed a new NCIB to repurchase up to 200,000 common shares. Purchases could commence on June 7, 2023 and will terminate no later than June 6, 2024. In December 2023, the Company announced an amendment to increase the number of common shares which the Company intends to purchase by an additional 500,000. During the fifty-two weeks ended December 30, 2023, the Company purchased 413,200 common shares under this plan.

6.3 Credit Ratings

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of payment and of the capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of the obligation. Credit ratings are not recommendations to buy, hold or sell the Company's securities and may be subject to revision or withdrawal at any time by the respective rating organization. Such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that these ratings will remain in effect for any given period of time, and to the extent such ratings worsen, the Company's financing costs may increase.

As is common practice, each of the below-noted credit rating agencies charged the Company for their rating services, which include annual monitoring fees for monitoring the Company and updating the ratings, in addition to one-time rating fees when debt is initially issued or refinanced. The Company reasonably expects that such payments will continue to be made for rating services in the future. No additional payment was made to the below-noted credit rating agencies for other services provided to the Company during the last two fiscal years.

As at February 21, 2024, the credit ratings of the Company were as follows:

	Credit Rating	Outlook
Standard and Poor's[1]	B	Positive
Moody's Investor Service[2]	B1 (Long-term Corporate Family Rating)	Stable

[1] Issued December 8, 2023
[2] Issued October 13, 2023

Standard and Poor's ("S&P")

S&P has ten long-term debt credit ratings ranging from AAA to D. The B rating assigned to the Company is the sixth of these ten rating categories. The B rating indicates that an entity has the capacity to meet financial commitments, but is more vulnerable to adverse business, financial and economic conditions. Ratings designations from AA to CCC may be modified by the addition of a plus or minus to show relative standing within the major rating category. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. Outlooks fall into one of four categories: positive, negative, stable or developing. A credit watch outlook is assigned to a rating when it is likely to be upgraded (positive), downgraded (negative) or uncertain (neutral).

Moody's Investors Service ("Moody's")

Moody's has nine long-term debt rating categories, ranging from Aaa to C and applies numerical modifiers 1, 2 and 3 to each rating classification from Aa to Caa. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of its generic rating category. Obligations rated B are the sixth highest of the nine ratings categories and are considered speculative and subject to high credit risk.

Moody's Corporate Family Ratings (CFRs) are long-term ratings that reflect the relative likelihood of a default on a corporate family's debt and debt-like obligations and the expected financial loss suffered in the event of default. A CFR is assigned to a corporate family as if it had a single class of debt and a single consolidated legal entity structure. CFRs are generally employed for speculative grade obligors, but may also be assigned to investment grade obligors. The CFR normally applies to all affiliates under the management control of the entity to which it is assigned. A CFR does not reference an obligation or class of debt and thus does not reflect priority of claim.

Moody's uses "rating outlooks" to provide its opinion regarding the likely direction of a rating over the medium term. The assignment of, or a change in, an outlook is not a credit rating action if there is no change to the credit rating. Where assigned, rating outlooks fall into the following four categories: "Positive (POS)", "Negative (NEG)", "Stable (STA)" and "Developing (DEV - contingent upon an event)".

7. MARKET FOR SECURITIES

High Liner Foods' common shares are listed for trading on the TSX under the symbol 'HLF'. During Fiscal 2023, the Company's common shares traded on the TSX between CAD$10.11 and CAD$15.87. As of the last trade date of Fiscal 2023, the common shares closed at CAD$11.82.

The table below shows the trading price ranges and volumes for the Company's common shares on the TSX for each month during the 2023 fiscal year.

	High $CAD	Low $CAD	Close $CAD	Daily Average Volume	Total Volume
December	11.96	10.36	11.82	53,091	1,221,090
November	11.26	10.11	11.19	16,951	339,015
October	11.29	10.41	10.89	10,625	201,870
September	12.39	10.79	11.00	19,990	479,765
August	14.27	11.89	12.18	27,922	530,513
July	14.75	13.74	14.23	7,514	142,766
June	15.24	13.26	13.91	12,577	314,435
May	15.25	14.30	14.53	10,771	204,655
April	15.66	14.13	14.57	8,586	163,139
March	15.87	13.72	15.33	20,222	505,560
February	15.18	14.00	14.85	17,661	335,553
January	14.29	13.69	14.28	13,081	248,539

8. DIRECTORS AND OFFICERS

8.1 Directors

The following table sets forth the names, residence, occupations, and committees of the directors of High Liner Foods as of December 30, 2023. Pursuant to High Liner Foods' by-laws, directors are elected to serve until the next annual general meeting of shareholders or until a successor is elected. The terms of all incumbents therefore expire on May 14, 2024.

Name and Residence	Director Since	Principal Occupation[1]	Committees
Scott Brison Quebec, Canada	2022	Vice Chair, BMO Wealth, former Vice-Chair, Investment & Corporate Banking for BMO Capital Markets; former Member of Parliament for the riding of King-Hants seven consecutive times over 21 years; former President of the Treasury Board; former Minister of Public Works and Government Services; former Parliamentary Secretary to the Prime Minister; member of the Trilateral Commission; board member of the Canada-China and Canadian-American Business Councils; served as Dalhousie University's 8th Chancellor	Audit Committee Human Resources Committee
Joan Chow Illinois, USA	2017	Former Chief Marketing Officer of the Greater Chicago Food Depository *(not-for-profit organization)*; former board member, member of Governance Committee and Chair of Compensation Committee of Welbilt, Inc. *(culinary equipment company)*; board member Energy Recovery Inc. serving as Chair of the Compensation Committee and a member of the Audit committee; board member of Spectrum Brands serving as a member of their Audit Committee; former Executive Vice President and Chief Marketing Officer, Conagra Foods, now known as Conagra Brands (*packaged foods company)*	Audit Committee
Robert P. Dexter, K.C. Nova Scotia, Canada	1992	Chairman and CEO of Maritime Travel Inc. (travel services company); director of BCE and Bell Canada (telecommunications holding company); former Chairman of Wajax Corporation; former Chairman of the Board of Directors of Empire Company Limited and Sobeys Inc. (food retail and corporate investments company);	Human Resources Committee
Andrew J. Hennigar Nova Scotia, Canada	2020	Director of Thornridge Holdings Limited (*investment company*), and was previously director of High Liner Foods from May 2015 to May 2018.	
David J. Hennigar Nova Scotia, Canada	1984	Chairman and Director of Thornridge Holdings Limited *(investment company)*; former investment adviser at Wellington-Altus Private Wealth *(private wealth management company)*	

Name and Residence	Director Since	Principal Occupation[1]	Committees
Shelly L. Jamieson Ontario, Canada	2012	Chair of Sienna Senior Living and member of their Audit, Governance and Quality Committees (*senior housing facility company*); previous board member of Ontario Health (I) and several other not-for-profit boards and foundations; formerly Secretary of Cabinet and head of the Ontario Public Service, *(government organization)*; formerly President of Extendicare (Canada) Inc. *(long-term care facilities company)*; formerly Ontario's Deputy Minister of Transportation *(government organization)*; retired from CEO of the Canadian Partnership Against Cancer *(federally funded agency)*	Governance Committee (Chair)
Paul A. Jewer Nova Scotia, Canada	2023	President & CEO of High Liner Foods Incorporated (since December 2023), formerly CFO of High Liner Foods Incorporated (February 2014 - January 2024), formerly CFO of Sobeys Inc. *(Canadian grocery and food distributor)*	
M. Jolene Mahody Nova Scotia, Canada	2014	Executive Vice President & Chief Strategy Officer, Chorus Aviation Inc. *(aviation company)*; formerly CFO, Chorus Aviation Inc.; and formerly COO at Jazz Aviation LP *(aviation company)*	Audit Committee (Chair) Governance Committee
R. Andy Miller Newfoundland, Canada	2012	President of Andy Miller Consulting *(consulting company)*; board member of Baader Food Systems USA (formerly Baader Linco Inc.) and Baader North America Corp. *(food processing machinery company)*; executive board member of the Canadian Centre for Fisheries Innovation *(non-profit organization)*; formerly CEO of Linco Food Systems A/S *(food processing machinery company)*	Human Resources Committee
Robert L. Pace Nova Scotia, Canada *Chairman since May 2019*	1998	Chairman (since May 2019) of High Liner Foods; President and CEO of The Pace Group Limited *(private holding company)*; Chairman of Maritime Broadcasting System *(owner/operator of radio stations)*; former Chairman of the Canadian National Railway Company *(transportation and logistics company)*	Governance Committee
Frank B.H. van Schaayk Nova Scotia, Canada	2014	Formerly Regional President - The Americas for McCain Foods Ltd. *(frozen food company)*; Chairman and director of Bay State Milling Company	Human Resources Committee (Chair) Governance Committee

[1] This reflects the principal occupations held by each director in the last five years, unless otherwise disclosed.

8.2 Executive Officers

The following table sets forth the names, residences, and offices held by the executive officers of High Liner Foods as of December 30, 2023.

Name and Residence	Position Held with the Company
Paul Jewer Nova Scotia, Canada	President & Chief Executive Officer (since December 2023), formerly Chief Financial Officer (February 2014 - January 2024), formerly CFO of Sobeys Inc. *(Canadian grocery and food distributor)*
Anthony Rasetta Ontario, Canada	Chief Commercial Officer (since July 2021); formerly held various cross functional roles, most recently Vice President, Sales, Commercial Center of Expertise, at Mondelez International *(food and beverage company)*
Timothy Rorabeck(1) Nova Scotia, Canada	Executive Vice President, Corporate Affairs and General Counsel (since May 2012)
Tom Jansen Quebec, Canada	Chief Supply Chain Officer (since September 2023); formerly the Senior Vice President, Ontario Division, of Atlantic Packaging Products.
Johanne McNally-Myers Ontario, Canada	Executive Vice President, Human Resources (since July 2021); Vice President, Human Resources (from April 2019 to July 2021), former Principal of JMM HR Consulting Inc (October 2017 to March 2019); Chief People Officer of HUB International Ontario Ltd. *(insurance brokerage)* (November 2016 to October 2017); Vice President Human Resources of Tim Hortons Inc. *(food and beverage company)* (December 2014 to February 2016)

(1) Mr. Rorabeck left the Company, effective January 1, 2024.

As of December 30, 2023, the number of common shares of High Liner Foods beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of High Liner Foods as a group is 1,116,426, or approximately 3.4% of those issued and outstanding. In addition, Mr. David Hennigar and Mr. Andrew Hennigar are directors of Thornridge Holdings Limited, which holds 34.9% of the Company's issued and outstanding common shares.

8.3 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including a personal holding company) that:

A. was subject to an order (as defined in Form 51-102F2 of National Instrument 51-102 - Continuous Disclosure Obligations) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer other than:

   a Mr. David Hennigar who was a director of Aquarius Coatings Inc. whose shares were suspended from trading effective November 3, 2014 for failure to comply with Exchange Requirements; and

   b Mr. David Hennigar is a director of Metalo Manufacturing Inc. whose shares were suspended from trading effective November 6, 2023 pursuant to Canadian Securities Exchange Policy 3.

B. was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 - Continuous Disclosure Obligations) that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director, executive officer, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company thereof:

A. is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director or executive officer of any company (including a personal holding company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

B. has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder; or

C. has been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

9. AUDIT COMMITTEE INFORMATION

9.1 Audit Committee Charter

The Company's Audit Committee Charter is attached as an appendix to this AIF.

9.2 Composition of the Audit Committee

The Audit Committee of High Liner Foods has three members: M. Jolene Mahody (Chair), the Honourable Scott A. Brison and Joan K. Chow.

Each member of the Audit Committee is both independent and financially literate. The Governance Committee of the Board determines whether each director is independent under applicable laws. For full biographies of these directors and the full discussion on independence, please see the Management Information Circular ("MIC") to be filed in connection with the Annual General Meeting of Shareholders to be held on May 14, 2024.

9.3 Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Ms. M. Jolene Mahody (Chair) is Executive Vice President & Chief Strategy Officer of Chorus Aviation Inc. She previously held the position of Executive Vice President & CFO of Chorus Aviation Inc. and prior to that Chief Operating Officer at Jazz Aviation LP, a subsidiary of Chorus Aviation Inc. Ms. Mahody is a Fellow of the Chartered Professional Accountants and also received her ICD.D designation through the Institute of Corporate Directors, Rotman School of Management. Ms. Mahody is the past Chair of the Board of Governors of Mount Saint Vincent University and has served on several other not-for-profit boards.

The Honourable Scott Brison is the Vice Chair, BMO Wealth and former Vice-Chair, Investment & Corporate Banking for BMO Capital Markets. He was elected MP for the riding of Kings-Hants seven consecutive times over 21 years. During his time in government, Mr. Brison served in many positions, including as the President of the Treasury Board. Minister of Public Works and Government Services and as a Parliamentary Secretary to the Prime Minister with an emphases on Canada-US relations. He is a member of the Trilateral Commission and serves on numerous boards, including the Canada-China and Canadian-American Business Councils. He served as Dalhousie University's 8th Chancellor. Mr. Brison holds a Bachelor of Commerce degree from Dalhousie University and has completed the Global Leadership and Public Policy for the 21st Century Executive Education Program at the Harvard University Kennedy School of Government.

Ms. Joan Chow has held many different senior executive roles over the course of her career, including Executive Vice President and Chief Marketing Officer, ConAgra Foods (now known as Conagra Brands) and Chief Marketing Officer of the Greater Chicago Food Depository. She also serves on the board of Spectrum Brands, where she is on the Audit Committee, and Energy Recovery Inc., where she is a member of the Audit and Compensation committees. She has previously served as Chair of the Compensation Committee and a member of the Governance Committee of Welbilt Inc., and a Director of the Manitowoc Company, RC2 Corporation and Feeding America.

9.4 Audit Fees

The following table sets forth the fees paid to Ernst & Young LLP ("EY"), the Company's external auditor, by category, for the fiscal years ended December 30, 2023 and December 31, 2022.

		2023		2022
Audit fees[1]	$	550,067	$	558,379
Audit-related fees[2]				62,256
Tax consulting fees[3]		7,792		—
Total fees	**$**	**557,859**	**$**	**620,635**

[1] Audit fees were paid to EY for professional services rendered for the audit of the annual financial statements or review of quarterly financial statements of High Liner Foods and its subsidiaries or services provided in connection with statutory and regulatory filings or engagements.

[2] Audit-related fees were paid to EY for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above.

[3] Tax consulting fees were paid to EY in 2023 for assistance with dealing with various tax authorities.

The Audit Committee approves all fees (for both audit and non-audit services) paid to the Company's auditors. Any engagement of EY for non-audit services must be approved in advance by the Audit Committee, considering whether the nature or extent of such services could detract from EY's independence in carrying out the audit function. In between meetings of the Committee, and provided the Committee is not in session, the Chair of the Audit Committee may perform this function, provided any approvals of the Chair shall be referred to the next meeting of the Audit Committee for ratification.

Accounting firms other than EY are also engaged when required to provide various services, including assisting with: due diligence, integration support services, investigation counseling and purchase price allocation issues in connection with acquisitions; taxation matters; tax compliance; accounting advisory; human resource consulting; ESG consulting; goodwill impairment valuations; 401(k) audits; and advice on certifying the Company's annual and interim filings in accordance with National Instrument 52-109.

10. CONFLICTS OF INTEREST

The Company is not aware of any existing or potential material conflicts of interest between High Liner Foods or a subsidiary of High Liner Foods and any director or officer of the Company or a subsidiary of the Company.

11. LEGAL PROCEEDINGS

As reported in 2020, High Liner Foods instituted legal proceedings in California against Mr. Brian Wynn for making false representations and warranties in connection with the sale of Rubicon Resources, LLC to the Company. Following a two-week arbitration hearing, on September 28, 2023, a Panel of arbitrators found that Mr. Wynn made fraudulent representations associated with the transaction and issued an Interim Award of approximately $15.5 million in damages against Mr. Wynn and in favor of High Liner Foods. The Interim Award provided that the Company is also entitled to its reasonable attorney’s fees and costs, and the Company has made additional submissions in this regard. The arbitration proceedings remain ongoing and the Interim Amounts are subject to change in the final arbitration award. It is not possible at this time to determine the final impact of these proceedings or the timing of that impact.

Other than the claim noted above, the Company is not and has not been party to, and none of its property is or was the subject of, any legal proceedings which involved a claim for damages exceeding 10% of the Company's current assets, nor is the Company aware that any such legal proceedings are contemplated.

There were no penalties or sanctions imposed against the Company by, and no settlement agreements entered into by the Company with, a court relating to securities legislation or a securities regulatory authority during Fiscal 2023 which involved damages exceeding 10% of the Company's current assets.

12. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction which has materially affected the Company in the past three financial years or the current financial year (or in any transactions or proposed transaction which is reasonably expected to materially affect High Liner Foods in the future).

13. INTERESTS OF EXPERTS

13.1 Names of Experts

The Company's auditor is Ernst & Young LLP Chartered Professional Accountants, who have prepared the Independent Auditors' Report to the shareholders of the Company in respect of its Annual Audited Consolidated Financial Statements.

13.2 Interests of Experts

Ernst & Young LLP Chartered Professional Accountants have confirmed that they are independent with respect to High Liner Foods in accordance with the Rules of Professional Conduct as outlined by Chartered Professional Accountants of Nova Scotia. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered accountants in the other provinces of Canada.

14. TRANSFER AGENTS

The Company's transfer agent and registrar with respect to the shares of the Company is TSX Trust Company. The register of the transfers for common shares is kept at their office in Halifax, NS, located at the following address:

TSX Trust Company
P.O. Box 2082, Station C
Halifax, Nova Scotia B3J 3B7
Tel: 1-800-387-0825 (toll-free in North America) or
1-416-682-3860 (all other countries)

15. MATERIAL CONTRACTS

The material contracts entered into by High Liner or its subsidiaries during the 2023 financial year or entered into prior to the most recently completed financial year, but after January 1, 2002, and that are still in effect, other than in the ordinary course of business, are as follows:

A. High Liner Foods entered into the following financing arrangements on December 19, 2011 (with material amendments as outlined below, which replaced term loan and working capital facilities in place at that time:

   a) A five year $180 million working capital facility entered into with Royal Bank of Canada as Administrative and Collateral Agent (originally) expiring December 19, 2016. This facility replaced all existing working capital debt facilities. The facility is asset based and is collateralized by the Company's inventory and accounts receivable and other personal property in Canada and the U.S., subject to a first charge on brands and trade names and related intangibles under the long-term debt facilities. The facility allows borrowings by way of Prime loans, Base Rate loans, LIBOR, or Canadian Bankers' Acceptances ("BA"). Prior to the amendments described below, interest rates and spreads depended on leverage, defined as Funded Debt to EBITDA. In certain circumstances the Company must maintain a fixed charge coverage ratio of 1.1x to 1.0x. Fixed charges include interest and debt repayments, capital lease payments and capital distributions, such as dividends or repurchase of shares under normal course issuer bids. Prior to the amendments described below, the facility allowed the Company to borrow Canadian Prime Rate loans in CAD, and Canadian Base Rate and U.S. Prime Rate loans in USD at Prime or Base Rate plus 0.00% to 1.00%; BA loans at BA rates plus 1.75% to 2.50%; and LIBOR advances at LIBOR plus 1.75% to 2.50%, (SOFR effective Fiscal 2022). Standby fees are also required to be paid on the unutilized line.

- In February 2013, the working capital facility was amended to change interest rates on the facility to be based on availability on the line rather than a leverage test, which reduced interest rates. This facility provides for the following based on the Average Adjusted Aggregate Availability as defined in the credit agreement: Canadian Prime Rate loans in CAD, and Canadian Base Rate and U.S. Prime Rate loans in USD at Prime or Base Rate plus 0.00% to 0.75%; BA loans at BA rates plus 1.75% to 2.25%; and LIBOR advances at LIBOR plus 1.75% to 2.25%. Changes also provided more flexibility for future acquisitions.
- In April 2014, the working capital facility was amended and based on the Average Adjusted Aggregate Availability, as defined in the credit agreement, allowed the Company to borrow Canadian Prime Rate loans denominated in CAD, and Canadian Base Rate and U.S. Prime Rate loans denominated in USD, at Prime or Base Rate, plus 0.00% to 0.25%; BA loans at BA rates plus 1.25% to 1.75%; LIBOR advances at LIBOR plus 1.25% to 1.75; and unused line fees of 0.25% to 0.375%. Required fixed charge coverage ratio was reduced to 1.0x to1.0x and applicable when Average Adjusted Aggregate Availability is less than the greater of (a) $18,000,000, and (b) an amount equal to ten percent (10%) of the lesser of (i) the Maximum Revolver Amount, and (ii) the Aggregate Borrowing Base. The term of this facility was extended from December 2016 to April 2019 and other changes provided for increased capacity and flexibility for acquisitions, investments, distributions, capital expenditures and operational matters.
- In April 2018, the Company amended the $180.0 million working capital facility to extend the term from April 2019 to April 2021. There were no other significant changes to the existing terms, other than an amendment to the standby fees paid on the unutilized facility to 0.25% (previously 0.25% to 0.375%).
- In October 2019, the Company amended the $180.0 million working capital facility to reduce the amount of the facility to $150.0 million and extend the term from April 2021 to April 2023. There were no other significant changes to existing terms.
- In April 2022, the Company amended its working capital facility to extend the term from April 2023 to April 2027. The amendment also included a necessary update from LIBOR plus 3.75% (0.75% LIBOR floor) to SOFR plus 3.75% (0.75% SOFR floor) based loans. There were no other significant changes to existing terms.
- In October 2022, the Company amended its working capital facility to increase the revolving limit on the Facility from $150.0 million to $200.0 million, there were no other significant changes to existing terms.

b) On December 19, 2011, the Company secured a $250 million long-term loan. Secured on a first priority basis by substantially all tangible and intangible assets, and the assets and stock of its present and future subsidiaries. Repayments are to be made in twenty-three consecutive quarterly installments, with the unpaid balance due in full on December 19, 2017. Prior to the amendments described below, the agreement included financial covenant requirements of minimum interest coverage ratio, maximum total leverage ratio, and maximum capital expenditures.

- In February 2013, the term loan was amended to reduce interest rates and provide leverage covenants more favourable to the Company, including the elimination of a minimum interest coverage ratio.
- In April 2014, the term loan was amended with the following changes: the principal amount was increased to $300 million; the term was extended from December 2017 to April 2021; borrowing rates were reduced from LIBOR plus 3.50% (with a 1.25% LIBOR floor) to LIBOR plus 3.25% (with a 1.00% floor); the leverage ratio financial covenant was removed; and increased capacity and

flexibility was provided for acquisitions, investments, distributions, capital expenditures and operational matters.

- In June 2017, the term loan facility was increased from $300.0 million to $370.0 million to facilitate the Rubicon Acquisition. The $70.0 million addition to the term loan was made in accordance with the term loan credit agreement, which provides for incremental increases that meet stated provisions, under existing terms and conditions.
- In October 2019, the term loan facility was amended to reduce the amount of the facility from $370.0 million to $300.0 million, extend the term of the facility from April 2021 to October 2026, and to increase the applicable interest rate for loans under the facility from LIBOR plus 3.25% (LIBOR floor of 1.00%) to LIBOR plus 4.25% (LIBOR floor of 1.00%).
- In March 2021, the term loan facility was amended to decrease the applicable interest rates for loans under the facility from LIBOR plus 4.25% (1.00% LIBOR floor) to LIBOR plus 3.75% (0.75% LIBOR floor). All other material terms of the facility remain unchanged, including the maturity date of October 2026.
- In October 2022, the term loan facility interest rate was amended from LIBOR plus 3.75% (0.75% LIBOR floor) to SOFR plus 3.75% (0.75% SOFR floor). All other material terms remain unchanged.

The agreements are filed, as required, as material documents under High Liner Foods' profile on SEDAR+ at www.sedarplus.ca.

16. ADDITIONAL INFORMATION

Further information, including additional copies of this AIF, the comparative consolidated financial statements and accompanying report of the auditor, the most recent interim financial statements and the MIC for the Company's annual meeting for shareholders to be held on May 14, 2024, may be obtained on SEDAR+ at www.sedarplus.ca or upon request from the Secretary of the Company at investor@highlinerfoods.com, or on the Company's website at www.highlinerfoods.com, or by writing to the Secretary at High Liner Foods Incorporated, P.O. Box 910, Lunenburg, NS, B0J 2C0.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and options to purchase securities, is contained in the Company's MIC, and additional financial information is provided in the Company's consolidated financial statements and MD&A for the fifty-two weeks ended December 30, 2023. All additional information referred to in this AIF may also be found on SEDAR+ at www.sedarplus.ca.

17. FORWARD-LOOKING INFORMATION

This AIF contains forward-looking statements within the meaning of securities laws. In particular, these forward-looking statements are based on a variety of factors and assumptions that are discussed throughout this document. In addition, these statements and expectations concerning the performance of our business in general are based on a number of factors and assumptions including, but not limited to: availability, demand and prices of raw materials, energy and supplies, the condition of the Canadian and American economies, product pricing, foreign exchange rates, (especially the rate of exchange of the CAD to the USD) our ability to attract and retain customers, our operating costs and improvement to operating efficiencies, interest rates, continued access to capital, the competitive environment and related market conditions, and the general assumption that none of the risks identified below or elsewhere in this document will materialize.

Specific forward-looking statements in this document include, but are not limited to: statements with respect to: future growth strategies and their impact on the Company's market share and shareholder value; anticipated financial performance, including earnings trends and growth; achievement, and timing of achievement, of strategic goals and publicly stated financial targets, including to increase our market share, acquire and integrate other businesses and reduce operating and supply chain costs; the ability to develop new and innovative products that result in increased sales and market share; increased demand for the Company's products whether due to the recognition of the health benefits of seafood or otherwise; inflation, changes in costs for seafood and other raw materials; any proposed disposal of assets and/or operations; increases or decreases in processing costs; the USD/CAD exchange rate; percentage of sales from the Company's brands; expectations with regards to sales volume, earnings, product margins, product innovations, brand development and anticipated financial performance; competitor reaction to Company strategies and actions; impact of price increases or decreases on future profitability; sufficiency of working capital facilities; future income tax rates; the expected amount and timing of integration activities related to acquisitions; expected leverage levels and expected Net Debt to Adjusted EBITDA; statements under the "outlook" heading including expected demand, sales of new product, the efficiency of plant production and U.S. tariffs on certain seafood products imported from China; economic and geopolitical conditions such as Russia's invasion of Ukraine and the implementation and/or expansion of related sanctions; impact of the inflationary environment, expected amount and timing of cost savings related to the optimization of the Company's structure; decreased leverage in the future; estimated capital spending; future inventory trends and seasonality; market forces and the maintenance of existing customer and supplier relationships; availability of credit facilities; the projection of excess cash flow and minimum repayments under the Company's long-term loan facility; expected decreases in debt-to-capitalization ratio; dividend payments; the amount and timing of the capital expenditures in excess of normal requirements to allow the movement of production between plants; and expectations regarding the potential future impact of a global pandemic on the Company's operations and performance, customer and consumer behavior and economic patterns.

Forward-looking statements can generally be identified by the use of the conditional tense, the words "may", "should", "would", "could", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective", "goal", "remain" or "continue" or the negative of these terms or variations of them or words and expressions of similar nature. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking information. As a result, we cannot guarantee that any forward-looking statements will materialize. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks that could cause our actual results to differ materially from our current expectations are discussed in detail in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the *Risk Factors* section of our 2023 Management Discussion and Analysis and the *Risk Factors* section of this AIF. The risks and uncertainties that may affect the operations, performance, development and results of High Liner Foods' business include, but are not limited to, the following factors: compliance with food safety laws and regulations; timely identification of and response to events that could lead to a product recall; volatility in the CAD/USD exchange rate; competitive developments including increases in overseas seafood production and industry consolidation; ability to import seafood into North America while adhering to updated government sanctions; ability to adapt to regulatory changes and increase flexibility on seafood substitutions in certain products with customers; availability and price of seafood raw materials and finished goods and the impact of geopolitical events (and related economic sanctions) on the same; the impact of the U.S Trade Representative's tariffs on certain seafood products; costs of commodity products, freight, storage and other production inputs, and the ability to pass cost increases on to customers; successful integration of acquired operations; potential increases in maintenance and operating costs; shifts in market demands for seafood; performance of new products launched and existing products in the market place; changes in laws and regulations, including environmental, taxation and regulatory requirements; technology changes with respect to production and other equipment and software programs; enterprise resource planning system risk; adverse impacts of cybersecurity attacks or breach of sensitive information; supplier fulfillment of contractual agreements and obligations; competitor reactions; completion and/or advancement of sustainability initiatives, including, without limitation, initiatives relating to the carbon workplan, waste reduction and/or seafood sustainability and traceability initiatives; High Liner Foods' ability to generate adequate cash flow or to finance its future business requirements through outside sources; credit risk associated with receivables from customers; volatility associated with the funding status of the Company's post-retirement pension benefits; adverse weather conditions and natural disasters; the availability of adequate levels of insurance; management retention and development; economic and geopolitical conditions such as Russia’s invasion of Ukraine and the implementation and/or expansion of related sanctions; and the potential impact of a pandemic outbreak of a contagious illness, on general economic and business conditions and therefore the Company's operations and financial performance.

Forward-looking information is based on management's current estimates, expectations and assumptions, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Except as required under applicable securities laws, we do not undertake to update these forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, whether as a result of new information, future events or otherwise.

Audit Committee Charter
(Reviewed November 2023)

Composition

1. The Committee shall consist of at least three outside directors, all of whom are independent and financially literate. (1)

2. The members' terms of appointment should coincide with the terms of appointment of other board committees and provide for continuity of membership, while at the same time allowing fresh perspectives to be added by periodic changes in the membership of the Committees.

3. The President and Chief Executive Officer; Executive Vice President and Chief Financial Officer; Executive Vice President, Corporate Affairs and General Counsel; Vice President Finance; and the Director Internal Audit shall attend meetings of the Committee by invitation of the Chair.

Purpose

4. The Committee shall assist the Board of Directors in fulfilling its oversight responsibilities for:
   (a) The integrity of the Company's financial statements
   (b) The Company's compliance with legal and regulatory requirements
   (c) The Company's risk management structure and performance
   (d) The external auditor's qualifications and independence, and
   (e) The performance of the Company's internal audit function and external auditors.

Authority

5. The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:
   (a) Appoint, compensate, and oversee the work of the external auditing firm employed by the Company to conduct the annual audit. The external auditors shall report directly to the Committee and attend every meeting.
   (b) Resolve any disagreements between management and the external auditor regarding financial reporting.
   (c) Pre-approve all auditing and permitted non-audit services performed by the external auditor, as set out below.
   (d) Retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation.
   (e) Seek any information it requires from employees - all of whom are directed to cooperate with the Committee's requests - or external parties.
   (f) Meet with Company officers, external auditors, or outside counsel, as necessary.

Meetings

6. The Committee shall meet on a regular basis but at least four times a year. Special meetings shall be called at the request of the Chair, the external or internal auditors (including any external advisors engaged to perform such internal audit functions). The external auditors and representatives of the internal auditor and/or any third party engaged to perform the internal audit functions shall have the right to attend all meetings of the Committee.

7. All Committee members are expected to attend each meeting, in person or via teleconference.

8. The Committee shall meet privately with the external auditors and the Director Internal Audit at every

meeting. The Committee will invite members of management to attend meetings and provide pertinent information as necessary, and will meet separately, at least quarterly, with management. It will also meet regularly *in camera*.

9. Meeting agendas will be prepared by the Secretary and provided in advance to members, along with appropriate materials. Minutes will be prepared.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements

10. Review with management and the external auditors, and recommend for approval, all published financial information that requires approval by the Board of Directors. These would include interim statements, year-end audited statements, Management Discussion & Analysis, Annual Information Form, statements in prospectuses and other offering memoranda, as well as all news releases relating to financial or material information about the Company.

11. Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include complex or unusual transactions and highly judgmental areas, major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and the effect of regulatory or accounting initiatives on the financial statements of the Company.

12. Review with management and the external auditors the results of the external audits, including any difficulties encountered, restrictions on the auditor's work, the co-operation received in performance of the audit, and the audit findings. In addition, the Committee shall review any accruals, provisions or estimates that have a significant effect upon the financial statements as well as other sensitive matters such as disclosure of related party transactions.

13. Review with management, the external auditors and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, or any other matters, that could have a material effect upon the financial position or operating results of the Company, and the manner in which these matters have been disclosed in the financial statements.

14. Review the certification of the Chief Executive Officer and Chief Financial Officer that: 1) the interim and annual financial statements, MD&A and AIF of the Company do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which they are made, not misleading; 2) the financial statements, together with other financial information in the MD&A and AIF, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer; 3) the internal controls of the issuer have been designed by or under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurances that the Company's financial statements are fairly presented in accordance with International Financial Reporting Standards (IFRS); 4) the disclosure controls or procedures of the Company have been designed by or under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurances that material information is made known to him or her or to others within the Company.

15. Review all subsidiary company or special purpose audit reports, including those of pension funds, if any, as well as the minutes of all audit committee meetings of subsidiaries and any significant issues and auditor recommendations.

16. Consider any other matter that in its judgement shall be taken into account in reaching its recommendation to the Board of Directors concerning the approval of the financial information intended for publication.

External Auditing

17. The external auditors shall report directly to the Committee and shall attend every regular meeting of the Committee.

The Committee will carry out the following responsibilities:

18. Review and approve the engagement letter with the external auditors.

19. Review the audit plans of the external auditors, including the co-ordination of audit effort with internal auditing. The Committee shall inquire as to the extent the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal acts. Any significant recommendations made by the auditors for the strengthening of internal controls shall be reviewed and shall be discussed with management, if necessary.

20. Review the performance of the external auditors, and consider whether the external auditors shall be reappointed after obtaining management's view of the competency of the incumbent auditors and recommend accordingly to the Board of Directors.

21. Review and approve the Company's hiring policies regarding employees or former employees of the external auditor (or former auditors).

22. If the Committee considers a change in external auditors appropriate, articulate the reasons for the change, including the response of the incumbent auditors in its recommendation to the Board, and shall oversee the search for and appointment of newly proposed auditors before making a recommendation to the Board of Directors. The Committee shall review all issues related to a change in auditors under National Instrument 51-102.

23. Review and approve the basis and amount of the external auditors' fees in light of the number and nature of reports issued by the auditors, the quality of the internal controls, the size, complexity and financial condition of the Company and the extent of the internal audit and other support provided by the Company to the external auditors.

24. Review the nature of any non-audit services proposed to be performed for the Company by the audit firm, and consider whether the nature or extent of such services could detract from the audit firm's independence in carrying out the audit function. The Committee shall pre-approve all non-audit service fees. In between meetings of the Committee, and provided the Committee is not in session, the Chairman of the Audit Committee may perform this function, provided any approvals of the Chairman shall be referred to the next meeting of the Audit Committee for ratification.

Internal Auditing and Control

25. The Director Internal Audit shall be instructed by management of the Company but shall report to the Audit Committee.

The Committee will carry out the following responsibilities:

26. Review with management the plans, activities, staffing and organizational structure of the internal audit function.

27. Ensure there are no unjustified restrictions or limitations, and shall review and concur in the appointment, replacement, or dismissal of the Director of Internal Audit and/or any third party performing any internal

audit function.

28. Review the effectiveness of the internal audit function, and shall meet regularly with the Director Internal Audit to discuss any matters that the Committee or the Director Internal Audit believes should be discussed privately.

29. Consider the effectiveness of the Company's internal control system, including information technology security and control and shall receive quarterly reports regarding same.

30. Understand the scope of internal review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. The Committee will inquire as to and investigate if necessary any significant deficiencies in the design or operation of internal controls.

Compliance

31. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

32. Request internal and external auditors to report any matters of which they are aware, that might be considered unethical or "on the fringe".

33. Establish and maintain procedures for the (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission of information by employee "whistle-blowers" regarding questionable accounting or auditing matters.

34. Review (a) material tax planning initiatives and compliance with tax, financial reporting laws and regulations; (b) the findings of any examinations by regulatory authorities; and (c) and any auditor observations regarding the foregoing.

35. Review and approve the Company's Code of Conduct and shall review the process for communicating the Code of Conduct to company personnel and for monitoring compliance with the Code.

36. Review the Corporate Disclosure Policy and ensure that there is a process in place to provide timely disclosure of material corporate events that would be of interest to investors and to prevent unauthorized disclosures of confidential information.

37. Obtain regular updates from management and company legal counsel regarding compliance matters.

Risk Management

38. Review quarterly the food safety and food quality results of the Company.

39. Review annually and discuss with management the Company’s Business Risk Management Policies, particularly the Price Risk Management Policy.

40. Review annually and discuss with management the Company's Risk Factors as disclosed in Management Discussion & Analysis and in the Annual Information Form.

41. Review compliance with the Company's Financing and Credit Risk Policies and review its credit risk profile annually.

42. Review the Company's insurance program for adequacy.

43. Review and approve the Company's disaster recovery plans and monitor management's implementation of such plans; annually assess the Company's disaster recovery readiness.

Other Responsibilities

44. Consider and, if appropriate, approve requests from individual Directors to retain independent advisors.
45. The Chief Executive Officer's travel and professional expenses shall be approved by the Chair of the Board, with a copy of such expenses to be provided to the Chair of the Committee.
46. Institute and oversee special investigations as needed.
47. Review and assess the adequacy of this Charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law.
48. Confirm annually that all responsibilities outlined in this charter have been carried out.

Reporting

49. The full Board of Directors shall be kept informed of the Committee's activities by a report delivered by the Chair following each Committee meeting.
50. The Committee shall provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
51. The Committee shall review any other reports the Company issues that relate to Committee responsibilities, including the required Audit Committee disclosure in the Annual Information Form, and the disclosure of Committee activities included in the Management Information Circular.

Environment

52. The Committee shall assess the degree of compliance of the Company with existing environmental legislation and, if there are any areas of non-compliance, assess whether senior management of the Company has put in place procedures to bring the Company into compliance and report when necessary to the Board of Directors.
53. The Committee shall review and report to the Board of Directors where necessary all environmental incidents and all remedial orders regarding infractions or alleged infractions issued by a government authority which have been received since the previous communication with the Committee.
54. The Committee shall assess whether the Company has in place remedial and contingency plans for environmental occurrences such as spills, leaks, or other discharges of pollutants.
55. The Committee shall assess whether the Company is doing ongoing environmental audits and review, training and prevention programs at its various facilities.
56. The Committee shall determine whether the establishment, and periodic review, of appropriate internal authorities to act in the case of serious environmental occurrences are in place.
57. The Committee shall receive reports on and assess whether there are any potential sources of emissions or pollutants, risks of sudden discharge, etc and whether appropriate safeguards are in place to deal with these risk situations.
58. The Committee shall assess whether there are procedures to promote environmental awareness within the Company including education and training programs regarding risk management, response and reporting responsibilities.
59. The Committee shall determine whether executive officers and management are involved in and knowledgeable about existing risk management systems.

60. The Committee shall receive reports from each of the employee Environment Steering Committee on environmental conditions on a regular basis.

61. The Committee shall review at least annually the Company's Environmental Management Policy and approve any changes to such policies.

Experts and Advisors

62. The Committee may, in consultation with the Chair of the Board, engage and compensate any outside advisor that it determines necessary in order to carry out its duties.

Limitation on Authority

63. Nothing articulated herein is intended to assign to the Committee the Board's responsibility to oversee the Company's compliance with the applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Directors or members of the Committee.

(1) "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.